

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-08 SAB-02 AID-05 CIAE-00 COME-00
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01
L-03 H-01 DODE-00 PA-01 PRS-01 /086 W
-----141258Z 022867 /46

R 112209Z MAR 77
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC 1033
INFO USSOUTHCOM
PANCANAL

C O N F I D E N T I A L PANAMA 1802

E.O. 11652: GDS
TAGS: ECON, EFIN, EINV, PN
SUBJECT: SYNDICATION OF PRIVATE BANK LOAN TO GOVERNMENT OF
PANAMA

1. OFFICIALS OF THE FIRST NATIONAL CITY BANK OF NEW YORK
AND OTHER BANKS ARE HOLDING DISCUSSIONS WITH OFFICIALS OF
THE GOP TOWARDS SYNDICATION OF A MAJOR LOAN IN 1977. WE
HAVE BEEN INFORMED A PROJECT MEMORANDUM IS NOW BEING CONSIDERED
INVOLVING A LOAN WHICH WILL PROBABLY BE \$100 MILLION. LOAN
IS EXPECTED TO BE HANDLED IN TWO PARTS PROBABLY EQUALLY
DIVIDED. ONE OF THEM BEING FOR A FIVE-YEAR TERM AND THE
OTHER SEVEN YEARS. INTEREST RATES WILL BE SLIGHTLY HIGHER
THAN WAS THE CASE WITH LAST YEAR'S SYNDICATED LOAN AND
WILL NOT BE LESS THAN 2 PERCENT ABOVE THE LONDON INTERBANK
RATE ACCORDING TO INFORMED LOCAL SOURCES.

2. BANKS WHICH HAVE AGREED TO JOIN THE SYNDICATION INCLUDE
THE CITIBANK, THE FIRST NATIONAL BANK OF CHICAGO, THE ROYAL
BANK OF CANADA AND THE BANK OF TOKYO. CHASE MANHATTAN WILL
NOT PARTICIPATE AND THE BANK OF AMERICA IS NOT YET
COMMITTED. WE HAVE BEEN INFORMED THAT CITIBANK WILL
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NOT BE THE AGENT THIS YEAR BUT "WILL LET ANOTHER BANK
DO IT." THIS REPORTEDLY IS TO AVOID DISCOURAGING OTHER
BANKS AS MIGHT BE THE CASE IF CITIBANK HUNG ONTO THE
DOMINANT ROLE YEAR AFTER YEAR. AN AGENT BANK HAS NOT
YET BEEN DETERMINED NOR HAS A FORMULA FOR DIVISION OF
THE LOAN. SHARE OF LOAN IS NOT ALWAYS EVEN, FOR INSTANCE,
A \$100 MILLION LOAN MIGHT BE SHARED 40-40-10-10; HOWEVER,

THE AGENT BANK WOULD CARRY A MAJOR PORTION.

3. EMBASSY HAS HEARD MENTION OF SOME RELUCTANCE AMONG
BANKS IN THE U.S. TO EXTENDING LOANS TO LDC'S LIKE PANAMA.
WE BELIEVE THAT WHILE THE PROCESS OF SYNDICATION IS BEING
CARRIED OUT QUIETLY, THE PRINCIPALS INVOLVED MAY BE FIND-
ING SOME TOUGH GOING, ALTHOUGH IT SEEMS PROBABLE
THAT A POSTIVE RESULT IS ON THE HORIZON.
JORDEN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK CONSORTIUMS, BANK LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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ISecure: 1
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Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b7c5bab9-c288-dd11-92da-001cc4696bcc
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Original Classification: CONFIDENTIAL
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Original Previous Classification: n/a
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Review Date: 07-Mar-2005 12:00:00 am
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Review Exemptions: n/a
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Review Release Date: n/a
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Subject: SYNIDICATION OF PRIVATE BANK LOAN TO GOVERNMENT OF PANAMA
TAGS: ECON, EFIN, EINV, PN, US
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Type: TE
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